



NEW YORK
REGIONAL OFFICE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
BROOKFIELD PLACE, 200 VESEY STREET, SUITE 400
NEW YORK, NY 10281-1022

SO ORDERED

November 1, 2021

VIA ECF

Honorable George B. Daniels
United States Courthouse
500 Pearl Street, Room 1310
New York, NY 10007

The conference scheduled for December 1, 2021
is adjourned to January 5, 2022 at 9:45 a.m.

NOV 30 2021

George B. Daniels
HON. GEORGE B. DANIELS

**RE: SEC v. Sarshar, No. 20-cv-06865-GBD (S.D.N.Y.): Joint Request for
an Adjournment of the December 1, 2021 Court Conference**

Dear Judge Daniels:

Plaintiff Securities and Exchange Commission (the "SEC") and Defendant Sepehr Sarshar ("Dr. Sarshar") submit this joint letter, with the consent of Intervenor U.S. Attorney's Office for the Southern District of New York ("USAO"), seeking an adjournment of the December 1, 2021 Court conference to permit the parties to continue settlement discussions aimed at resolving this matter. Dr. Sarshar consents to an extension of the stay currently in place in this action for approximately one month until the date of the next scheduled court conference.

After moving to intervene in this action on January 27, 2021 (Dkt. 20), the USAO moved on April 22, 2021 for a full stay of this matter, including a stay of all discovery, until conclusion of the parallel criminal case, *United States v. Sarshar*, 21 Cr. 202 (GHW) (the "Criminal Case") (Dkt. 29). By order dated June 3, 2021 (Dkt. 35), the Court granted the USAO's motion and stayed this matter until December 1, 2021 in light of the then-pending criminal case against Dr. Sarshar. A status conference is currently scheduled for December 1, 2021 at 11:00 am.

The Criminal Case is no longer pending. On October 29, 2021, Judge Gregory H. Woods, presiding over the criminal case, heard argument on Dr. Sarshar's motions, including, among others, a motion to dismiss the indictment as duplicitous and a motion for a *Franks* hearing to suppress the fruits of the government's search warrants. Judge Woods granted both motions, ordered the government to elect the appropriate remedy for the deficiency in the indictment, and directed the parties to confer on a date for the *Franks* hearing. The government elected to voluntarily dismiss the indictment, which also mooted the scheduling of a *Franks* hearing. (*United States v. Sarshar*, 21 Cr. 202 (GHW), Dkt. 72). On November 9, 2021, the Court ordered dismissal of the indictment in the Criminal Case without prejudice. (*Id.* Dkt. 73).

On November 19, 2021, counsel for the SEC and Dr. Sarshar commenced discussions of a potential resolution of this matter. The parties would like additional time to explore a negotiated resolution and request an approximately one-month adjournment of the December 1 court conference for that purpose.

While Dr. Sarshar believes that the stay ordered by the Court is no longer necessary in light of the dismissal of the criminal case, he does not object at this time to the continuation of the stay to permit the parties to attempt to resolve the case, without prejudice to further argument to lift the stay of proceedings should settlement discussions falter.

The parties propose that the Court schedule a conference for a date convenient to the Court on or about January 7, 2022, and that the parties submit a status report to the Court prior the scheduled court conference. In the meantime, the stay shall remain in effect until the next scheduled court conference, on consent of the parties.

Respectfully submitted,

/s/ Mark R. Sylvester
Mark R. Sylvester
Senior Trial Counsel
(212) 336-0159
sylvesterterm@sec.gov

*Counsel for Plaintiff Securities and
Exchange Commission*

/s/ Avi Weitzman
Avi Weitzman
Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166
(212) 351-2465
aweitzman@gibsondunn.com

*Counsel for Defendant Sepehr
Sarshar*